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Migration and the New Political Economy of Inequality in the Americas

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The political economy of inequality in the Americas has generally been understood in one of two ways. The first, espoused by students of the international relations of the region, has been of a sort that could be encapsulated in the old terminology of 'North-South' relations, which places emphasis on the inequalities of both power and development between states. The Americas provides especially fertile ground for this sort of analysis, encompassing as it does some of the very poorest countries and economies in the world with two of the richest, and some of the smallest and weakest states with the world's preponderant power. Much of the associated analysis of hemispheric relations, as well as of regional integration processes, has thus sought to understand the role of such vast and gross disparities in levels of power and development have played in conditioning and shaping political and economic outcomes. The alternative approach, associated largely with 'comparative' perspectives on Latin American politics, has taken an equally 'nationalist' orientation but has focussed on inequalities *within* states and societies, usually of a socioeconomic variety. Building on the premise that Latin American and Caribbean societies feature the highest levels of socioeconomic inequality in the world, the focus falls on the ways in which development strategies are formulated in this context, and particularly on the ways in which the prevailing neoliberal orientation in Latin American and Caribbean countries either ameliorates or, more commonly, exacerbates the social dislocations associated with such pronounced levels of inequality.

The distinction between these two approaches should not be drawn too starkly. In many analyses they overlap fruitfully, particularly in analyses of the role of the United States in propounding and pushing forwards the neoliberal agenda in the region. Yet there is nevertheless a sense in which these two lines of analysis remain curiously detached from one another, inasmuch as they are built on a set of assumptions about development and a particular approach to its study which, I suggest, are both inappropriate and unhelpful. That is, the study of development in the Americas is marked by a rather stubborn adherence to a traditional analytical apparatus associated with notions of a 'North-South' divide. In the conventional terminology of development theory and international studies, clear binary distinctions are posited and drawn between 'developed' and 'developing', 'rich' and 'poor', 'First' and 'Third' worlds, and so on. Development, in this conventional 'North-South' terminology, is deemed relevant only to the 'South'. It is assumed, by extension, that the 'north' can comfortably and legitimately be excluded from the study of development (Payne 2004). The theoretical apparatus and empirical remit of the study of development has never been deemed applicable or relevant to the study of the political economy of advanced capitalism, these countries not being considered to be in the process of developing, nor to be engaged in the articulation of development strategies. By extension, the central question of inequality remains one which is deemed properly to preoccupy students of 'development' and the 'developing world'. In other words, in mainstream International Relations (IR) and International Political Economy (IPE), the study of development and inequality is systematically marginalised as a specific and specialised area of interest which can comfortably be left to colleagues in comparative politics and area studies (Phillips 2005a). Distinct academic communities have thus arisen which rarely, if ever, rub shoulders, with signally deleterious consequences for the effective study of the political economy of development and inequality.

This state of affairs is mirrored in the ways in which the study of the Americas has been approached and organised. In some ways, this is not surprising, given that the study of development in the Americas has slotted with very peculiar readiness into a 'North-South' framework, accommodating both of the traditional 'Worlds' of development – or indeed, depending on one's favoured vocabulary, into all three of these 'Worlds'. The region has conventionally been divided rigidly into two – the US and Canada on the one hand, and 'Latin America and the Caribbean' on the other – with often completely separate academic communities crystallising around each. Moreover, the study of development and inequality has been framed as relevant only to the latter. This paper

starts from the premise that this way of carving up the Americas is manifestly inadequate as a way of understanding the politics of development in the region. It has severe limitations inasmuch as it usually correlates with traditional rich-poor, strong-weak, developed-developing distinctions that, as noted, are both misleading and unhelpful. It is also quite simply outdated. In a very basic sense this is revealed in the unease and confusion with which students who associate themselves with the study of both 'North' America (the US and Canada) and Latin America and the Caribbean have been able to accommodate the question of where and how to locate Mexico in the new 'conceptual geography' of the region, to borrow Bahgat Korany's (1994: 7) phrase. Moreover, the patterns and substance of contemporary intra-regional and global politics in the Americas indicate that traditional 'north-south' understandings of the Americas, and the ways in which the two parts remain intellectually 'cordoned off' from one another, have little remaining meaning beyond a certain (important) acknowledgement of the preponderant weight of the US and the still striking disparities in trajectories and levels of economic development between the US and Canada, on the one hand, and the Latin American and Caribbean parts of the region, on the other.

What is needed, then, is a different set of conceptual lenses through which to think not only about the new hemispheric political economy but also the dynamics of inequality within it. The first step in this endeavour is to observe and take seriously Anthony Payne's injunctions, set out in a body of work over the last five years or so (notably Payne 1999, 2004, 2005), to conceive of development as a process in which *all* countries and societies are engaged rather than one which is confined to what formerly would have been classified as the 'South' of the traditional 'North-South' politics, and furthermore to focus on the inequalities that prevail *within* states and societies as well as between them. Apart from the intrinsic utility of this approach for thinking broadly about development and inequality, particularly in the way it directs our attention much more firmly towards inequalities between social groups within societies (rather than between states) as the best means of capturing the politics of contemporary development, it carries significant value for the study of the Americas. It posits a set of questions about the regional political economy which reinforce the idea that development and inequality are not simply issues pertinent to Latin America and the Caribbean and, moreover, invite us to draw the US and Canada much more firmly into our analysis of development and inequality in the region than is customarily the case (Phillips 2004).

Yet this approach, for all its unquestionable insights, remains somewhat partial as a platform from which to conceptualise the political economy of inequality in the Americas. It helps us to escape from the strictures of traditional 'North-South' conceptions of the region and the organisation of analysis on that basis, but it risks glossing over the principal characteristics and contours of this political economy of inequality. In the first instance, this political economy can only be understood fully as a transnationalised phenomenon. The lines of enquiry that delve into both the 'domestic' structures of inequality and the 'inter-state' dimensions of inequality – of both power and socioeconomic development – are undoubtedly valuable and must not be dismissed, as they frequently are in the self-consciously fashionable preoccupations with transnationalisation and globalisation that abound in the study of the contemporary international political economy. The role of inequalities of power between states in structuring developmental inequalities in the region, and particularly in the projects and processes of hemispheric integration, are pivotal in constructing an adequate idea of axes along which the political economy of inequality in the region finds expression. Indeed, it is this nexus between inequalities of power and development that account in some part for the failings (and failures) of regional integration as a viable development strategy, as well as the frequently fraught politics that have attended such projects as the Free Trade Area of the Americas (FTAA) (Phillips 2005b). Yet the regional political economy of inequality is only partially captured by analyses rooted solely in the nationalist and territorialist apparatus associated with the traditional study of development. What is needed is an analysis which is sensitive to the ways in which the

regional political economy is increasingly transnational in character, not solely international, the ways in which the fault-lines of inequality lie between transnationalised social groups as well as those located within domestic political economies, and the ways in which these transnational fault-lines are reinforced by the politics of hemispheric and regional integration.

The particular argument I wish to put forward in this paper, however, takes this insight a step further and argues that the international *and* transnational politics of development in the Americas is, in fact, increasingly located within the *domestic* political economy of the United States. The absorption into this political economy of, on the one hand, territory from parts of Mexico, Central America and the Caribbean (in the construction of 'offshore' sites in the US production structure) and, on the other, labour (in the same process and, moreover, in the form of migration to the US) have reproduced, *within* the boundaries of the political economy of the US, important dimensions of the international and transnational structures of inequality. Indeed, this international and transnational political economy of inequality located and rooted within the US economy and society arises in large part as a result of the nexus between unequal power and unequal development that I noted above, to the extent that the dynamics of migration are driven by the massive inter-state and social inequalities that continue to characterise the Americas, and are propelled and shaped by the nature and exercise of US power in the region.

These are the arguments that I wish to develop in this paper, through a detailed examination of one particular dimension of this process – that of migration. The first section looks at the dynamics of migration in the Americas, and demonstrates that it is the particular politics surrounding immigration in the US that act to produce and reproduce a new political economy of inequality, both within the US and between states and societies in the region. The second section goes on to sketch out in more detail the nature of this new political economy of inequality. The conclusions draw the arguments together and locate them within a broader contention that the phenomenon of migration in the global political economy has given rise to a situation in which what formerly we would have understood as a 'north-south' politics of development is now located increasingly *within* the political economies of the most powerful advanced industrialised countries.

The Political Economy of Migration

The scale and impact of contemporary migration to the US from Latin America and the Caribbean has positioned it as the key process of transnationalisation in the regional political economy. In many ways, it has also become the key political, social and economic issue for US policymakers in *both* their domestic agendas and their engagement in the region. This is not, of course, to suggest that migration is in any way a 'new' phenomenon. The history of the United States is in large part a history of successive waves of migration, both across borders and within US territory. But contemporary patterns of migration in the Americas are tightly linked not only with the vast disparities in levels of development, wealth and opportunity that characterise the region, but also with the particular dislocations associated with labour flexibilisation and the agenda of fostering competition between workers as well as capitalists advocated in the dominant neoliberal development agenda. Large-scale migration in the Americas emerges at the intersections between the vast disparities in levels of socio-economic development between the countries of the region, particularly in wage levels, and the reinforcing consequences of these processes of labour flexibilisation in Latin America and the Caribbean. At the same time, the centrality of flexible labour markets to the US model of neoliberalism, and the relationship between capital and labour in that context, has both facilitated the positioning of migrant labour at the heart of the US economy and shaped the politics of immigration in US society. It is, in this sense, mistaken to think of

the link between migration and labour flexibilisation as constituting solely a 'push' from Latin America and the Caribbean to the United States. Rather, the political economy of Anglo-American neoliberalism and the centrality to this model of labour market flexibility have facilitated the absorption of vast numbers of migrant workers into key sectors of the economy, conditioned the terms on which migrant workers are employed, and fostered a distinctive approach to immigration more generally that rests on securing the supply of labour without the extension of social rights or citizenship to migrant workers. This latter point is one to which we will return shortly.

The implications of labour flexibilisation processes in Latin America and the Caribbean are manifested most concretely in the levels of unemployment, underemployment and informalisation that emerged over the 1990s as a consequence of the particular challenges of competitiveness in these countries, the relative abundance of labour and particular demographic conditions. Among the most salient impacts of labour flexibilisation across the region (exacerbated by specific contexts of political or economic instability) were the decline in real wages and high and/or rising levels of unemployment. Urban unemployment levels in 2001, for example, reached 17.4 per cent in Argentina, 18.2 per cent in Colombia and 16.2 per cent in Panama; national levels for the same year were 9.9 per cent for Barbados, 15 per cent for Jamaica, and 13.4 per cent for Venezuela (ECLAC 2002). Even where urban unemployment figures have been relatively more modest (as in Mexico), across the region rural unemployment levels have often been very significant. Perhaps more important than unemployment *per se*, however, has been the trend towards underemployment and informalisation. In Paraguay in the late 1990s, for example, only about 30 per cent of the economically active population had paid employment in the formal sector (Klein 2000: 155), whilst for Brazil it was estimated in 2001 that around 60 per cent of the workforce was 'informal', double the 1991 level (*Financial Times*, 6 June 2001). What is perhaps most significant for the purposes of the present discussion is that flexibilisation and informalisation have been particularly strong in sectors such as textiles, construction and agriculture – precisely those sectors that account for the bulk of traditional economic activity in many Central American, Caribbean and other Latin American countries, including Mexico. Yet the fact remains that migration from Mexico and other key sending countries is motivated overwhelmingly by wage differentials (Pastor 2001: 126). Most migrants, in fact, leave jobs in their countries and migrate to the US as a result of the vast disparities in average wage levels, reinforced by the declining wage levels that have been a frequent result of labour flexibilisation initiatives in key sectors.

These impacts of labour flexibilisation in Latin American and Caribbean countries are accompanied, in turn, by a set of demographic trends which reinforces the regional structures associated with a surplus of labour in many Latin American and Caribbean countries and a growing demand for labour in the United States and Canada as a result of the shortages occasioned by the aging population profile. One recent analysis of trends in the US in fertility and life expectancy has estimated that by 2050 around a quarter of gross domestic product (GDP) will be transferred from the working population to the elderly population (Jackson 2003, cited in US-Mexico Binational Council 2004). New immigrants accounted for around 40% of US population growth during the 1990s, and immigration has effectively averted population declines that would otherwise have occurred over the last few decades in places like Chicago; similarly, Canadian labour market growth is expected to be entirely dependent on immigration by 2015 (Edgar *et al.* 2004: 12, 15). Demographic trends in Mexico indicate a lag of about 20 years with average trends for other Organisation for Economic Cooperation and Development (OECD) countries, and therefore the eventual likelihood of some degree of contraction in the current imbalances in the employment market. But demographic trends for much of Central America and the Caribbean do not reveal similar changes and continue to feature substantially young populations and the attendant problems of unemployment, exacerbated by the recent implications of labour market flexibilisation.

The result of this conjunction of trends is that, in a nutshell, many Central American and Caribbean economies that for much of the post-war period were net importers of labour have become net exporters of labour – overwhelmingly, of course, to the United States. It has been noted that the result of this massive export of labour from the Caribbean through emigration to the US has been that the Caribbean now has one of the largest diasporic communities in the world in relation to its population. The proportion of Cubans and Dominicans in the US, for example, is estimated as being equivalent to about 8% of the respective populations (Nurse 2004). At the same time, the particular ‘niche’ that Central American and Caribbean countries have come to occupy in the regional political economy is one that has shifted from being defined by the export of agricultural products to one based on the provision of labour (Orozco 2003), either in the form of ‘exported’ labour resident in the US or else the ‘onshore’ provision of labour in the ‘offshore’ arms of the US production structure.

The extent of migration from Mexico is equally striking, accounting as it does for by far the largest single ‘sending country’ of migrants to the US. Indeed, the most arresting fact is noted by Jorge Domínguez and Rafael Fernández de Castro (2001: 149): that ‘Mexico is the world’s major country of emigration; the United States is the world’s major country of immigration’. 38 per cent of legal immigrants to the US in 2002 arrived from other countries in the Americas, with the 219,380 Mexicans that legally entered the US in this year accounting for by far the largest group within this number (US Department of Homeland Security 2002: 5). Moreover, estimates indicate that over 400,000 new *illegal* immigrants entered the US each year over the 1990s, and again it is likely that at least half were Mexican. During the 1980s, in addition, Central Americans came to displace Cubans as the dominant ‘refugee’ migrants, with large-scale emigration taking place from such countries as El Salvador, Nicaragua and Guatemala (Suárez-Orozco 1999: 229). Overall, according to 2002 figures, the Hispanic population in the US represents about 13.3 per cent of the total population, 66.9 per cent of which is accounted for by Mexicans (US Census Bureau 2002).

The implications of these trends for the new political economy of inequality – both between states and societies in the region as well as within the US – are not related to the process of migration *per se*. Large-scale emigration and immigration certainly carry a wide range of consequences which impinge very directly on the contours of inequality in the region, and we will return to those issues in a later part of the paper. But the important point for now is that the fact of migration in itself does not necessarily or inevitably generate the sorts of inequality with which we are concerned in this paper. Rather, it is the particular politics that attach to immigration in the United States that, in the contemporary period, have occasioned the emergence of this new political economy of inequality, and it is to these that we should devote particular attention.

The contemporary politics of immigration

The contemporary politics of immigration in the US have constituted something of a double-edged sword for those concerned with the issue in Mexico and other parts of the region. On the one hand, the Bush administration has been the first since the 1960s to have placed radical immigration reform high on its political and legislative agenda and offered some rhetorical acknowledgement of the importance of dealing substantively with the question of migration across US borders and the treatment of migrant workers already resident in the US. Since the suspension of the so-called *Bracero* programme in 1964 – the policy initiated in 1942 granting temporary admission for Mexican workers in order to address the labour shortages occasioned by the Second World War – immigration policy has been largely *ad hoc* and incremental in nature. In the United States, it has continued to revolve around the question of border security and how to stop the illegal passage of, particularly, Mexican migrants over US borders. Virtually no high-level or substantial attention has been afforded to the issue of migrants already resident in the US and their treatment. Equally, from the Mexican side, the policy has

consistently been one of 'no policy' since the *Bracero* programme was disbanded. The objective of the 'no policy' position was essentially to leave the door to the US half-open for Mexican migrants rather than precipitating significant US initiatives to increase border control (Fernández de Castro and Rozental 2003: 8), and equally there was a recognition that forcing the migration issue into the bilateral relationship would imply a shared responsibility which would significantly disrupt the *status quo* (Rozental 2004: 96). The strategy, in short, was not to rock the boat that carried thousands of Mexicans legally and illegally into the United States and acted to relieve significant employment pressures in Mexico.

It was only towards the end of the 1990s that this issue received high-level political diplomatic impetus from the Mexican side and that, as a result, the debate was moved substantially beyond the traditionally dominant focus on border control. Until that time, as a result of both of these positions, the migration issue was one which was framed emphatically as a *domestic* issue in and for the US. The Mexican position, in light of the above concerns, was essentially that the treatment of Mexicans within the US was an issue for the US government and the US system; the US position was that their control over immigration and border security was essentially inviolate, and that these issues were not bilateral issues but rather domestic ones. To an extent, this is still the US position. While the tenor of recent immigration policies has emphasised the shared responsibility that a significant initiative would entail – particularly in the form of effective control from the Mexican side of the border¹ – nevertheless there remains a sense in which the migration issue is still a very long way from being seen in the US as a bilateral US-Mexico (much less regional) issue.² The issue, in a nutshell, is about immigration, not migration. Equally, reactions to the events of 11 September 2001 have inevitably reinforced the overriding preoccupation with border security and the reluctance to cast migration as a genuinely bilateral or regional issue rather than purely a domestic one.

Nevertheless, it is certainly the case that US immigration policy has become an issue which receives considerably more attention in US relations with Mexico and other important sending countries (Rosenblum 2004). The administration of Vicente Fox in Mexico sought to make the issue the cornerstone of its vision of a 'new' North American relationship which it placed at the centre of its foreign policy agenda. High-level binational activity in the mid- to late-1990s laid the ground for eventual proposals laid out by Fox at the White House in September 2001 for what Mexican foreign minister Jorge Castañeda famously dubbed the 'whole enchilada' – that is, for an encompassing agreement to regularise the status of the estimated four million Mexicans illegally resident in the US based on a recognition of their centrality to the US economy, the benefits of mitigating the welfare consequences of their illegal status and the continuing costs of border enforcement policies. A High-Level Working Group was convened with

¹ This was precisely the subject of one of the most recent Senate hearings on immigration, convened by the Senate Committee on the Judiciary on 'The Need for Comprehensive Immigration Reform: Securing the Cooperation of Participating Countries', 30 June 2005. One of the clearest shifts in Mexican stances on the migration issue has been a recognition of this shared responsibility and the need for active policies to address issues of border security on the 'Mexican side' as well as the pervasive violence and insecurity – overwhelmingly associated with drug trafficking – that exists in Mexican border states. (See the statements by Mexican participants in this Senate hearing, and Grupo México-Estados Unidos sobre Migración (2000).) However, the failures of the Fox administration in Mexico to devote any significant attention or resources to this issue generated political and diplomatic tensions with the US throughout 2005, culminating in the closing of the US consulate in the state of Nuevo Laredo in August of that year as, in the unfortunate words of the US Ambassador to Mexico, a 'punishment' for the Fox administration's failure to control the drug-related violence widely perceived in the US and Mexico to be running out of control. Although the consulate was re-opened a week later, following assurances from the Mexican government that they were committed to 'taking back the border from the kingpins and capos' (*New York Times*, 6 August 2005), the episode itself was indicative of a hardening of US policy towards Mexico and the increasing perception in both countries that the prospects for a migration accord now depend significantly on Mexican governments' handling of this issue of violence and insecurity in border towns.

² One person interviewed in Washington DC commented to me that, in essence, the Mexican participants in the debates surrounding these issues were seen and treated more as a lobby group than a negotiating partner.

cabinet-level representatives from both Mexico and the US, which met several times during 2001 and 2002 but fell into dormancy from that time (Rozenal 2004: 96). President Bush's early proposals of an amnesty for illegal Mexican migrants in the US were also shelved, or at least allowed to wither on the vine, and were replaced in early 2004 with proposals which revived the idea of a guest worker programme as the foundation for managing the immigration issue.

So, on the one hand, under the Fox and Bush administrations the migration and immigration issues have indeed been located as central to the bilateral relationship and, moreover, been animated within domestic political debates on both sides of the border. 9/11 clearly also played a part in this, as has, in a different way, the connection between electoral politics and the US-based Hispanic community. On the other hand, however – the aforementioned double-edged sword – the nature of the debate in the US and the tenor of immigration policy has featured a return to a highly exclusionary approach. Of the three 'ideas' about immigration that Lawrence Fuchs (1990) described as having prevailed in the colonial period in the US – the Pennsylvania model, which granted equal rights to immigrants regardless of their religious background; the Massachusetts model, which emphasised restrictive policies based on religious purity; and the Virginia model, which treated immigration essentially as a mechanism of covering labour shortages without the extension of citizenship to immigrant workers – the Virginia model is the one which has found particular expression in the contemporary politics of immigration (see Martin 2003). To an extent, this is the model which has long prevailed in the treatment of immigration specifically from Mexico and other parts of the region, as demonstrated in the *Bracero* programme.³ The most recent policy debates on the management of the immigration issue, including the ongoing initiatives for a guest worker programme, are based on the same sort of model – that is, the use of immigration as a means of compensating for labour shortages (of whatever provenance), without extending the benefits of citizenship to the vast majority of migrant workers.

In this spirit, the Bush administration's reform proposals, set out in January 2004, were touted as premised on four key principles: first, that the US must effectively control its borders; second, that immigration laws should serve the economic needs of the country; third, that illegal immigrants should not be rewarded 'in the citizenship process' and actual or prospective legal immigrants should not be disadvantaged; and fourth, that laws should facilitate the return of migrant workers to their home countries once their period of work has expired. The proposed temporary worker programme stipulated that foreign workers should be welcomed as filling jobs that no American is 'available' to fill and that the system should allow employers to find such workers quickly and simply, providing that they have made every effort to fill the position with an American worker. Workers under this scheme would be granted legal status for three years with the possibility of renewal but, in Bush's words, 'it will have an end' and financial incentives would be provided to facilitate their return. Illegal workers already in the US, in turn, would be granted the right to seek legal status. The benefits of such a programme were presented as essentially two-fold: first, that the needs of the US economy and employers would be served; and second, that by setting illegal immigrants on the track to legalisation and, as it is often put, 'out of the shadows', the authorities' control over who exactly is entering and resident in the US would be greatly enhanced in the spirit of the post-9/11 security agenda.

The president's previous utterances on immigration had, undoubtedly, not emerged from any form of consensus in the US establishment on such issues, and had not gone down particularly well either in the wider political community or indeed in

³ 'Refugee' migration has also been significant from various parts of the Caribbean Basin – migration from El Salvador, Nicaragua and Cuba being notable examples. Yet policy towards this form of immigration has generally been inconsistent and highly politicised. Successive US governments never granted formal refugee status to the majority of Central American refugee migrants but, at least until the end of the 1990s, did so almost automatically for Cuban refugees from the Castro regime (Suárez-Orozco 1999: 231; Phillips 2004).

Congress. The proposals for amnesty which had begun to take shape before 9/11 had been put forward by the president with no instructions to the bureaucracy to make investigations into feasibility or preparations for the implementation of legislation. Nor were there any collective discussions within or between state agencies on these matters. In other words, these were purely presidential statements of the desirability of radical immigration reform, and it was increasingly apparent before 9/11 that Congress was unhappy with the manner in which this issue had been approached. Indeed, contrary to views which cite 9/11 as sounding the death knell for Bush's interest in immigration, it was evident before the state visit of President Fox in September 2001 that the White House was pulling back on the issue, and in this sense the 'whole enchilada' speech that Fox gave on the lawn of the White House was out of kilter with the prevailing atmosphere in Washington.⁴

The 2004 proposals were handled in some ways similarly, in the sense that again there were no instructions to the bureaucracy and little political consultation before the issue was again propelled to the fore. But a combination of electoral concerns and, perhaps moreover, the momentum that the issue of immigration has achieved in various state agencies and public debate, have meant a much greater congressional impetus to immigration reform. In May 2005 Bush's proposals for a temporary worker scheme and the attendant provisions on the regularisation of the status of Mexican workers were essentially replicated in a bipartisan bill put forward by Senators Edward Kennedy and John McCain, Representatives Jeff Flake and Jim Kolbe (both R-AZ) and Representative Luis Gutierrez (D-IL). The emphasis in this proposed legislation was placed, as Kolbe put it, on 'major surgery' to deal with the 'hemorrhaging immigration problem' and the introduction of a serious guest worker programme (*New York Times*, 20 May 2005). A subsequent bill put forward in July 2005 by Senators John Corbyn (R-Tex.) and John Kyl (R-AZ) involves a similar sort of guest worker programme, but focussed considerably more on border security, seeking authorisation of \$5 billion over five years to deploy aggressively a raft of new border control technologies, an additional 10,000 border patrol agents and 1,250 customs and border protection officers, an enhancement of the Expedited Removal system, more stringent visa regulations and sanctions on employers who hire illegal aliens, along with a host of other measures associated with a significant drive to control immigration both at the border and within the US.

In this context, the return to the Virginia ideal of labour immigration without citizenship reflects a rather curious combination the two strongest factions in the immigration debate. The temporary worker model is essentially one favoured consistently by the coalition of 'free-marketeters' which incorporates employers, much of the Republican leadership and a variety of associated think tanks and newspapers. Its position is neatly summed up in the slogan 'Immigration Yes, Welfare No' (Martin 2003: 136). Perhaps the most potent political force pressing for such an arrangement is the Essential Workers' Immigration Coalition (EWIC) which, by February 2005, incorporated 35 employers' associations, including the US Chamber of Commerce, the National Association of Chain Drug Stores (which includes Wal-Mart), the National Restaurant Association, American Hotel and Lodging Association, Ingersoll-Rand, the American Meat Institute and the National Retail Federation (<http://www.ewic.org>). The emphasis in this position, as noted, falls on American employers' rights to locate 'essential workers' (that is, migrant labour) in the sectors of the US economy suffering most from labour shortages. Clearly, and as reflected in much of the trenchant opposition to this form of immigration policy, these labour shortages – often arising from the 'unavailability' of American workers – arise not from insufficient numbers but rather from the wages and conditions associated with most of the occupations in which guest workers would be concentrated. Currently, Mexican immigrants in the US account for significant proportions of the workforce in sectors characterised by high growth and low skill levels: they comprise, for example, 20% of all landscape and groundskeepers, 14%

⁴ Author's interviews, Washington DC, September and October 2004.

of all food preparation workers, 11% of janitors, 10% of heavy truck drivers, 8% of waitresses and waiters, 5% of light truck drivers, 5% of general repairers and 4% of teacher aides. Moreover, 33% of all Mexican immigrants in the US are employed in these particular occupations (US-Mexico Binational Council 2004: 5).⁵ Table 1 also indicates the correlation between those sectors associated with the highest actual and projected growth rates and those characterised by low skill levels and training requirements. The point, however, is that this conception of an 'essential worker' and the associated guest worker scheme outlined by Bush augurs a substantial reinforcement of this association of migrant labour with the low-wage, low-skill sectors of the US economy. As Susan Martin⁶ has put it, in undoubtedly excessively sweeping but nevertheless apposite terms, 'we're going to be creating, under this type of legislation, a large number of basically indentured servants' (*New York Times*, 8 January 2004).

This 'free-market' position intersects in one respect with another which has become perhaps even stronger since the early 1990s: that of the 'restrictionists' who support limits on immigration (including legal immigration) as well as on the social and legal rights of immigrants in the US (Martin 2003: 136). The contrast with the free-marketeters could not be starker inasmuch as the restrictionists' position is shaped by an intrinsic opposition to immigration – especially to temporary worker schemes – and indeed the implications of immigration for American jobs forms the focus of much of this political grouping.⁷ Security concerns, in the light of 9/11, have also provided a significant rallying call for immigration restrictionists, along with the debate about immigration premised on concerns about the 'Hispanisation' of US society and its impact on values, culture and religious identity. Perhaps the most visible and controversial expression to this debate has been offered recently by Samuel Huntington (2004a, 2004b; also see Brimelow 1995). The restrictionist position, in all its guises, has also found concrete expression in the US Congress, primarily in the form of the Immigration Caucus of the House of Representatives formed in 1999 and comprising around 70 members drawn overwhelmingly from the Republican party. Nevertheless, the opposition to the extension of rights along with residence or employment is common to both the restrictionist and the free-market positions. The controversial Proposition 200 initiative, for example – the result of a vigorous anti-immigration campaign led by the group Protect Arizona Now – reflects precisely this agenda. Apart from requiring that proof of US citizenship to vote in local government elections and that local and state officials report all violations of immigration laws to federal officials, it requires proof of eligibility for all non-federally mandated public benefits and strengthens the enforcement of federal laws under which non-citizens are denied access to a wide range of social and welfare services, including all retirement, welfare, health or disability benefits, public or assisted housing, post-secondary education, food assistance and unemployment benefit.⁸

The success of Proposition 200, along with the increasing salience of sympathetic congressional opinion, indicate that the restrictionist position can be said to be genuinely resurgent in US political debates (Barry 2004a).⁹ The congressional restrictionist movement has not succeeded in many of its initiatives, such as those aiming to reduce the availability of visas to refugees or deny citizenship to the US-born children of illegal migrants, but has been successful in attaching restrictionist proposals to other legislation, such as the House Intelligence Bill approved on 8 October 2004. This bill, in

⁵ Note that these figures refer solely to Mexican workers. The figures for migrant workers in these sectors is substantially higher when Hispanic migrants from other parts of the region are included in the calculations.

⁶ Martin was executive director of the US Commission on Immigration Reform in the 1990s and is now at Georgetown University.

⁷ It is interesting, in this respect, that in a recent survey of US public opinion and foreign policy (Chicago Council on Foreign Relations 2004), the *foreign policy* goal that was considered most important by the US public was protecting the jobs of American workers (78%), above preventing the spread of nuclear weapons (73%) and combating international terrorism (71%).

⁸ See <http://www.pan2004.com/> and <http://www.fairus.org/Media/Media.cfm?ID=2469&c=34>

⁹ It is worth noting, indeed, that a similar initiative in California – Proposition 187 – was declared unconstitutional by a federal court in 1998.

contrast with its Senate counterpart and the recommendations of the 9/11 Commission, stipulates restrictions in immigrants seeking political asylum, a curtailment of rights to due process and restrictions on the forms of documentation that can be accepted as proof of identity and eligibility (Barry 2004b).

The position of labour unions in the US, however, is more complex than is generally recognised. The AFL-CIO, for example, finds itself in sympathy with those groups in US politics who favour an extension of social and legal rights to migrant workers inasmuch as its official position has shifted significantly in recent years to emphasise a concern with the protection of *all workers'* rights, both internationally and within the US labour market. In this spirit, it has favoured the idea of comprehensive legislation to deal with the treatment of illegal as well as legal migrant workers. On the other hand, the AFL-CIO and other unions remain at the forefront of the domestic debate which positions threats to American jobs at the forefront of the political and electoral agendas, and in this sense coincide strongly with elements of the protectionist and restrictionist lobbies. In their opposition to what has been described, in a very telling turn of phrase, as 'onshore onsite outsourcing'¹⁰, immigration from Mexico and other parts of Central America and the Caribbean, and even parts of South America, is seen to stand in direct contradiction with the priorities of employment in the US. Bush's proposals for a temporary worker programme is seen as again pandering to business with little regard for the impact on the US labour market. Echoing sentiments expressed at the time of the *Bracero* programme, the aim, as well as result, of such a programme is seen to be to the continued depression of both wages and unionisation levels in the US economy. As long as migrant workers are available for employment at the minimum wage and with no rights of union membership, key sectors of the US economy will remain beyond the reach of the union movement. It is certainly the case, as recent research has shown, that phases of declining immigration over the last two centuries have correlated strongly with increases in levels of unionisation (Briggs 2001).

Since the mid-1990s, then, immigration policy has reflected a significant increase in the number of migrants who are eligible for legal status but at the same time a sharp contraction in the social and legal rights of immigrants who do not enjoy full naturalised status. Further curtailments of legal rights were instituted after 9/11 under the Patriot Act, and certain states, such as California, have further limited access to such social rights as healthcare in response to growing budget deficits (Martin 2003: 138, 142, 146). At the same time, however, considerable attention has been devoted to easing restrictions on an issue of key concern to migrant workers in the US, namely, that of remittances. Remittances to Latin America and the Caribbean were estimated at around US\$32 billion in 2002 and US\$40 billion in 2003, with Mexico not only the major regional recipient country but also the major recipient country worldwide (see Tables 2 and 3). Flows of remittances outstrip the total flows of foreign investment and official aid to the region, and as such account for an increasingly vital part of the economy of recipient countries. For Mexico in 2002, they represented a total equivalent to 3% of GDP and 72% of investment; for the Dominican Republic 10% of GDP and 202% of investment. Moreover, flows of remittances have remained on an upward trajectory even in the context of growing economic recession in the US and growing unemployment among the Hispanic population in that country, and indeed have remained stable at a time when other capital flows to the region have featured significant levels of volatility (Orozco 2004: 8; Inter-American Dialogue 2004: 4).

The nature of these flows thus represent what has been called 'remittance gold' not only for the recipient countries (an issue to which we will return shortly), but also, crucially, for the US (and other) banking systems. The efforts by banks of various nationalities to tap in more effectively to the remittance market world-wide stem directly from the massive amounts of money that would, as a result, flow through formal

¹⁰ Author's interviews, AFL-CIO, Washington DC, October 2004.

banking systems. In this sense, the links between immigration and the financial and banking systems have become much more central to immigration policy debates and legislative initiatives. In the early 2000s, Mexican *matrículas consulares* – identity cards for Mexican citizens resident in the US – became more widely accepted as acceptable forms of identification, including, in the most significant advance of this nature, for opening bank accounts. As with the favouring of a temporary worker programme as the basis for contemporary immigration, this measure was entirely consistent with the moulding of immigration policy to the interests and needs of industry and business. While opposed by the Justice Department, the acceptance of *matrículas* was supported not only by the State Department but also by the vast majority of banking and industry groups, such organisations as Wells Fargo, Bank of America and Citibank weighing in heavily on this issue and gaining some considerable political traction in Congress and various state agencies. Undoubtedly, this support from banking and business sectors was pivotal in securing Republican support for legislation that would ease the access of immigrant workers to the formal financial system.¹¹ One estimate indicates that 33% of the US-Mexico remittance customers of the Bank of America have opened an account rather than just using money transfer mechanisms (Kapur and McHale 2003: 52), and the *matrículas* issue is propelled precisely by the recognition of the benefits for the US banking system of handling remittances more effectively through the formal financial system.

Similarly, comprehensive legislative bills on remittances have been spearheaded by Luis Guitierrez (D-IL) and Senate Banking Committee Ranking Democrat Paul Sarbanes (MD). The International Remittances Protection Act, presented to Congress just before the recess in October 2004, sought to address some of the key difficulties in the financial system associated with remitting money from the US to Mexico and elsewhere, with particular emphasis on the lack of transparency and information, the lack of requirement that financial institutions disclose the fees and exchange rates which govern remittances, and the lack of federal regulation which contributes to huge variation between states.¹² The legislation also requests that the Federal Reserve sets guidelines which prioritise the countries receiving heavy flows of remittances, such as Latin American countries and the Philippines. The legislation was supported and endorsed by bodies representing credit unions and the banking sector.

Migration and the Political Economy of Inequality in the Americas

The model on which contemporary immigration policy is based is thus one which reflects strongly the Virginia notion of immigration for the purposes of labour supply without concomitant obligations to extend rights of citizenship and welfare to immigrant workers. By extension, it is a model which tailors immigration policy directly to the needs of industry and business, and, increasingly, favours the integration of immigrant workers into the formal banking sector in order to harness more fully the potential of the remittance market. At the same time, the thrust of policy initiatives put forward by George W. Bush and a variety of members of congress augur a real entrenchment of an exploitative social hierarchy in the US economy. By moulding immigration policy to the needs of employers in the fastest growing sectors of the economy – overwhelmingly low-skilled and low-wage sectors in which Mexican and other Latin American and Caribbean migrants already make up the vast bulk of the labour force – and adopting a model which denies immigrant workers a wide range of social and legal rights, the social politics of inequality in the US are entrenched and, indeed, expanded as the foundation of the US labour market.

¹¹ As one congressional staffer put it, 'if the Banks are on side, the Republicans are on side; if the immigration groups are on side, the Democrats are on side'. Author's interviews, Washington DC, October 2004.

¹² For example, regulatory oversight is relatively stringent in New York but extremely lax in Georgia. Interviews with staffers in the office of Congressman Gutiérrez, Washington DC, October 2004.

An important additional effect of the adoption of this 'labour without citizenship' model is that this social hierarchy becomes more tightly linked with a racial hierarchy in the US. In May 2005, the racial dimensions of the immigration issue were brought disastrously to the fore by President Fox's public complaints that Hispanic workers in the US were employed in jobs that 'not even the blacks there want to do'. The outcry that followed a diplomatic blunder of such astonishing proportions propelled to centre-stage the traditional social and racial divisions in the US between white, Hispanic and black people, and sharpened the long-standing concerns of the black community about the massive immigration of Hispanic workers. Jesse Jackson, after expressing clearly the offence that Fox's comments had caused, declared Fox to have done something of a service – however offensively and unintentionally – in raising the issue of the impact of Hispanic immigration on African-American workers and 'opening a door for us to talk about the system of denial' (*New York Times*, 19 May 2005). He called for the immediate incorporation of representatives of the black community in the negotiations on migration currently underway between Mexico and the US, as well as those concerning trade, education and healthcare.

The domestic political economy of inequality in the US, in this sense, is structured increasingly by the social and racial hierarchy that arise from the particular politics of immigration that have informed contemporary policy. Yet the pattern and politics of migration and immigration have also acted to consolidate the regional inter-state political economy of inequality. The most commonly mentioned effect of such large-scale migration to the US from Latin American and Caribbean countries has been felt in the phenomenon of 'brain drain'. Recent figures indicate that around 11% of Mexicans with tertiary education live and work in the US (US-Mexico Binational Council 2004), and that figure rises to 22% for the Dominican Republic and to 46% for Trinidad and Tobago (Nurse 2004). Contrary to the customary assertions that migration benefits the sending countries by compensating for employment shortages and acting as a 'release valve' for the pressures occasioned by un- and underemployment, the effect of brain drain reinforces the conventional contours of inequality in the region in which Latin American and Caribbean countries are characterised by low average skill, education and wage levels in comparison with the US and Canada. The implications for developmental performance as well as development strategies in the region are, clearly, highly prejudicial. This is coupled with the structures and politics which locate the vast majority of Hispanic workers in the US in jobs which offer wages and working conditions substantially below the standards that would be acceptable to most native American workers – a situation which, as we have seen at length, would be significantly reinforced under the terms of the guest worker programme currently under congressional consideration.

At the same time, traditional forms of dependence on the US economy have been given a new twist. As a result of both migration *per se* and the particular management of immigration policy in the US, dependence on the US has come to centre not only on the US market as a destination for Latin American and Caribbean exports and as a source of investment, but also increasingly as a source of employment. Many see this dependence as relatively unproblematic, inasmuch as labour market projections for the period between 2002 and 2012, for example, envisage 56.3 million job openings – 35 million of which arise from net replacement needs and 21.3 million from net employment growth – representing an increase of 15% in the total jobs available in the US economy (Edgar *et al.* 2004: 14). Yet the employment situation, and consequently the implications of this dependence, are shaped fundamentally by the conjunctural conditions of the US economy, in terms of trends in both employment and wage levels. Perhaps even more crucially, they are shaped by the domestic politics of immigration in the US, which are strongly conditioned by the evolution of employment figures. Historically, periods of low unemployment have been marked by relatively greater tolerance of immigration; periods of relatively higher or growing unemployment or economic slow-down have precipitated a much more restrictionist and exclusionary tenor to immigration debates. As a result of

extensive labour migration to the US, Latin American and Caribbean development is thus tied much more closely to prevailing trends in US domestic politics, and developmental performance becomes much more contingent upon official policy, congressional politics and public opinion.

The remittances issue adds a further dimension to this new situation of dependence. It is undoubtedly the case that remittances constitute an ever more important foundation of many Latin American and Caribbean economies. Remittance flows can be said to constitute a 'bottom-up' form of economic development strategy. To this extent, many have drawn attention to the ways in which the remittance market is a 'source of development funds with considerable untapped potential' and, indeed, a reason for seeing migration as a considerably more developmentally beneficial process than has customarily been the case in much of the academic literature and political debate (Robinson 2004: 1, 4). Yet, at the same time as they have acted significantly to ease and make cheaper the process of sending money 'home', recent policy initiatives on remittances have been designed to draw these forms of financial flows much more concretely into the formal banking system, increasing the dependence on this system and bringing the remittance market substantially more into the reach of public policy, the provisions that banking authorities may attach to these transfers, and prevailing political and legislative opinion and disposition. Increasingly, these 'bottom-up' processes are increasingly governed by conventional 'top-down' forms of development strategy and drawn into the orbit of US immigration and security policy.

The developmental implications of these dimensions of inequality contradict some of the assumptions that prevail in debates about migration and immigration, and indeed inform the political debates currently surrounding the issue in the US. The conventional perception is that large-scale migration benefits Mexico and other sending countries substantially more than it benefits the US and other receiving countries. Much of public and congressional opinion in the US, as we have seen, represents immigration as a significant threat, both economically and on cultural and racial grounds. Yet our analysis here of the structures of inequality that emerge from and are reinforced by the process of migration suggests that, in fact, the developmental consequences are much more positive for the receiving country than for the sending country (also see Pastor 2001: 125-7). In one sense, the US economy, and certainly key sectors in it, depend increasingly on migrant labour, as does population and labour market growth for the next several decades. Withdrawing migrant labour from sectors such as the restaurant and catering industries or agriculture is generally acknowledged to portend disaster for those parts of the economy. But, in fact, it is rather less straightforward than simply an equation of labour supply in these sectors with immigration: the 'disaster' would arise from the withdrawal of workers willing to work at the wage levels and in the conditions that currently prevail in those sectors. The implications would therefore be felt in the *competitiveness* of key parts of the US economy, which rests under the current economic model on the depression of wages and the flexibility of labour markets for such purposes as the attraction of temporary and seasonal workers.

In this sense, there are grounds for arguing that it is not the US economy *per se* that fundamentally depends on immigrant labour but rather its competitiveness and the model on which US capitalism is built. It is widely noted that Anglo-American capitalism is characterised by the absence of the sort of welfare state tradition that characterises the continental European model, but nevertheless that there are a range of safeguards and compensation mechanisms built into it that act to compensate the effects of globalisation and economic restructuring. This is, of course, frequently contrasted with the version of neoliberalism that has come to prevail in much of the so-called 'developing world', particularly as a result of the development agenda pursued by the international financial institutions. Yet the key point is that the vast majority of immigrant workers are excluded from these social safety-nets, and the contemporary thrust of immigration policy is acting to reinforce this exclusion. In this sense, we are seeing a sustained move

towards a situation in which large parts of the labour force in the US are drawn into a system which resembles a much more 'pure' form of market capitalism, in which immigration is oriented to the labour needs of business and industry, and employers' costs are driven down by the absence of welfare and legal obligations to the workforce. By extension, and contrary to the prevailing consensus in political and public debate about immigration, US employers benefit far more from illegal immigration and immigration of unskilled workers (Pastor 2001: 126) – a fact that underpinned the customary practice of turning a blind eye to infringements of immigration law which became characteristic from the mid-1980s onwards.

The domestic structures of inequality in the US are, in turn, reinforced by this situation. While employers benefit from this model of immigration, it is at the cost of the native-born unskilled population, and the impact – returning to our earlier comments about the racial dimensions of the social hierarchy – falls disproportionately on African-American workers (Pastor 2001: 127). It is here that we find clear manifestations of the agenda of promoting competition between workers that lies at the heart of the dominant neoliberal development orthodoxy. The US economy increasingly features a sharp competition between unskilled white, black and Hispanic workers, which acts to depress wages, limit unionisation and link immigration directly with this particular 'race to the bottom'. Again, then, we see clearly the points of intersections of the domestic and international political economies of inequality that we have been concerned to identify in this paper.

Conclusions

If we are to ask 'whatever happened to the North-South politics of development?', as Payne (2005) prompts us to do, the discussion here suggests the answer that it is increasingly recreated in the political economies of the most powerful countries. The mechanisms by which the new political economy of inequality in the Americas is produced and reproduced within the structures of the US political economy are, in fact, replicated in many of the other advanced industrialised nations. The tailoring of immigration policy to the needs of industry and business, and the consequent reinforcement of global processes of labour flexibilisation, are characteristic of what we might call the global politics of immigration and manifest in many of the other major receiving countries. The trends towards outsourcing, again core characteristics of contemporary advanced capitalism, similarly reinforce the absorption of labour, value-added and indeed territory that we have identified here in the case of the US and the Americas. Equally, interest in the remittance market is growing world-wide, with initiatives at the level of the G-8 as well as individual 'rich' countries to govern remittance markets 'from above' – to enhance regulation of these financial flows, harness them in ways which strengthen the global financial system and ensure that they do not exert a destabilising impact on financial markets (Robinson 2004: 5). The North-South politics of development, in this sense, has not only been transformed into a 'global politics of unequal development' (Payne 2005) but also has been recreated within the *domestic* structures of many of the advanced industrialised economies, in a process which both arises from and reinforces the structures of inequality that prevail *between* states and societies. Migration, and the particular manner in which it is increasingly governed, are fundamental to this process.

They are also fundamental to the ways in which we conceive of the political economy of development. We are accustomed now to injunctions to focus on the transnational dimensions of development and to consider the contours of inequality as being predominantly between (transnationalised) social groups rather than between states. Yet these fashionable perspectives essentially posit the theoretical, analytical and indeed practical irrelevance of territorial borders, inasmuch as they see development processes as conforming closely with a transnationalisation of economic, social and

political exchange. What our analysis here suggests, however, is that borders are absolutely fundamental to many of the key dimensions of contemporary development and inequality. Migration certainly reflects processes of transnationalisation and indicates the emergence of a transnationalised relationship between labour, capital and states, but at the same time it unquestionably reinforces the centrality of borders in this relationship, particularly in issues of immigration policy and the governance of migration. The tight linkages between the socioeconomic dimensions of migration with questions of border security in contemporary world politics, as well as in countries like the US, caution against attempts too hastily to accept transnational perspectives as the most appropriate for the study of contemporary development and inequality. This conclusion is further warranted by the increasing location of these structures with the *domestic* political economy of the US and other such countries.

What, finally, does all this tell us about the nature of contemporary development strategies in the Americas? We saw that the phenomenon and pattern of migration in the Americas has generated a situation in which the primary form of dependence on the US for many countries in the region is no longer associated with investment and trade, but rather with employment. The consequence is that the existing vulnerability of economies in the region to the condition of the US economy, arising from the extent of dependence on that market, is sharpened as employment prospects for vast numbers of workers in the region become dependent on the state of the US labour market and conjunctural economic conditions. Concerns surrounding the health of the US economy under the second Bush administration contribute to the ways in which this issue is of pivotal importance to the development prospects of many of the societies and economies of the region, not only in terms of employment but also, crucially, in terms of the new centrality of remittances to the economies of Mexico and other major sending countries. The more important point, perhaps, is that this political economy of migration has brought development strategies into much closer connection with US domestic politics, and made development prospects in the region much more contingent on the political climate prevailing in the US. At the same time, it is important to take into account the ways in which the US economy – or, more accurately, the competitiveness and profitability of key sectors in the US economy – have come to depend intrinsically on the continued supply of migrant labour. The development strategies of Mexico and a range of other countries in the region are characterised by new forms of dependence on the US and are conditioned heavily by the requirements of the US economy; equally, migration has become central to the US economy and to the model of capitalist accumulation on which the contemporary development strategies of the US rest. The phenomenon of migration in the Americas, and indeed in other parts of the world, thus indicate a much more complex political economy of regional and global inequality than that which might be captured by more traditional 'north-south'-based approaches to the study of development.

Table 1
10 Occupations in the US with largest job growth, projections 2002-12

Occupation	Employment 2002 (thousands of jobs)	Employment 2012	% change	Qualification or form of training
Postsecondary teachers	1,581	2,184	38	Doctoral degree
Registered nurses	2,284	2,908	27	Associate degree
Nursing aides, orderlies, attendants	1,375	1,718	25	Short-term on the job training
Customer service reps.	1,894	2,354	24	Moderate on the job training
Food prep. & serving (incl fast food)	1,990	2,444	23	Short-term on the job training
Janitors & cleaners (not incl maids)	2,267	2,681	18	Short-term on the job training
General & operations managers	2,049	2,425	18	Higher degree + work experience
Waiters & waitresses	2,097	2,464	18	Short-term on the job training
Retail salespersons	4,076	4,672	15	Short-term on the job training
Cashiers	3,432	3,886	13	Short-term on the job training

Source: own adaptation from Daniel Hecker, 'Occupational Employment Projections to 2012', *BLS Monthly Labour Review Online*, 127:2, Feb 2004 – original data reproduced in Edgar *et al.* (2004).

Table 2
Remittances to Latin America and the Caribbean, 2001-03 (US\$ million), key countries

	2001	2002	2003
Mexico	9,273	10,502	13,929.3
Brazil	2,600	4,600	5,355
Colombia	1,600	2,431	3,220.35
Dominicana	1,807	2,206	2,164.05
El Salvador	1,920	2,111	2,210.25
Guatemala	584	1,689	2,211.3
Ecuador	1,400	1,575	1,656.9
Jamaica	967	1,288	1,425.9
Cuba	930	1,265	1,155
Peru	905	1,138	1,155
Haiti	810	931	850.5
Honduras	460	770	862.05
Nicaragua	610	759	787.5
Venezuela		235	196.35
Costa Rica			321.3
Guyana		119	136.5
Trinidad & Tobago		59	92.61
Belize	42	38	73.5

Source: Orozco (2004: 2), on basis of data from Inter-American Development Bank and Central Banks of each country.

Table 3
Relevance of Remittances 2002

Country	Annual volume (US\$)	% of GDP	% of exports	% of aid	% of investment
Mexico	9,814,400,000.00	3	6	7243	72
India	8,317,105,284.79	2	17	569	323
Philippines	7,189,243,000.00	7	20		701
Spain	3,958,213,677.40	1	3		151
Pakistan	3,554,000,000.00	5	36	166	447
Portugal	3,224,355,236.84	2	13		580
Egypt, Arab Republic	2,893,100,000.00	3	66	225	467
Morocco	2,877,152,600.82	7	36	452	637
Bangladesh	2,847,675,583.83	5	47	312	6233
Colombia	2,351,000,000.00	2	20	533	201
Serbia & Montenegro	2,089,000,000.00	14	92	108	372
Dominican Republic	1,939,300,000.00	10	37	1238	202
El Salvador	1,935,200,000.00	17	65	829	828
Jordan	1,921,439,046.10	22	70	360	6249
Turkey	1,936,000,000.00	1	6	305	225
Brazil	1,710,976,000.00	0	3	455	12

Source: Orozco (2004:2), on basis of data from World Bank *World Development Indicators 2004*.

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